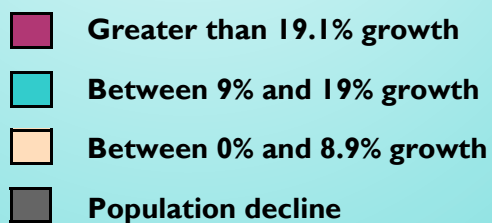
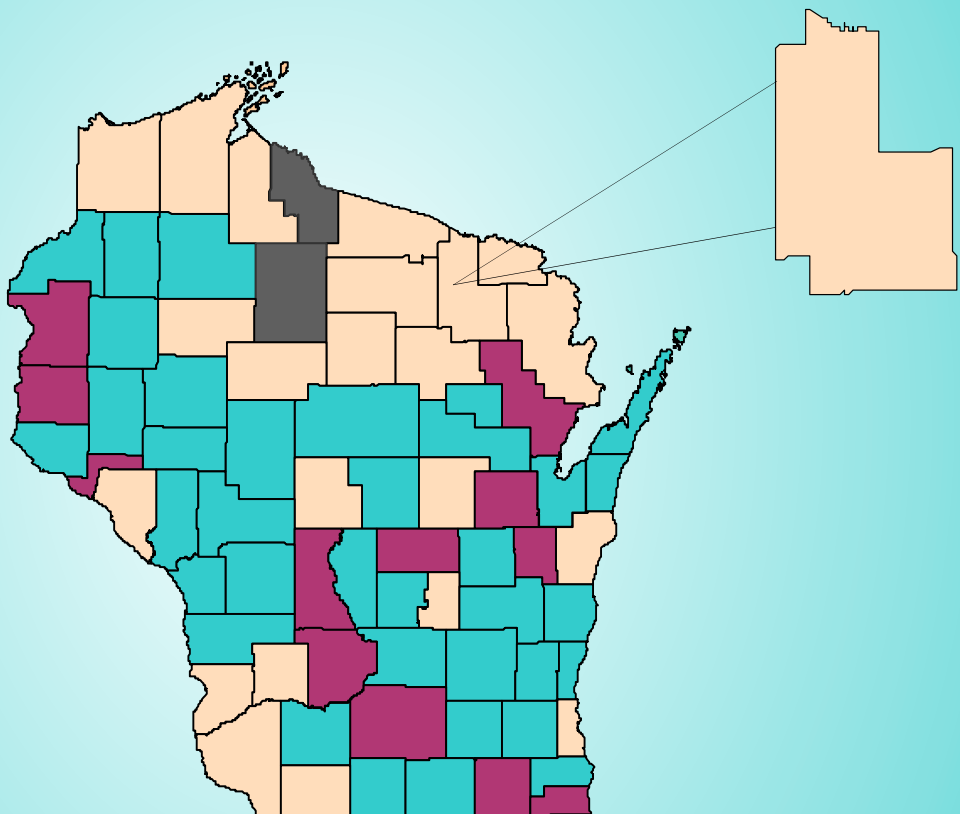


Forest County Workforce Profile

Projected population growth from 2000 to 2020



Source: Wisconsin Department of Administration, Demographic Services Center.
Statewide population growth is projected to be 13.9 percent from 2000 to 2020.



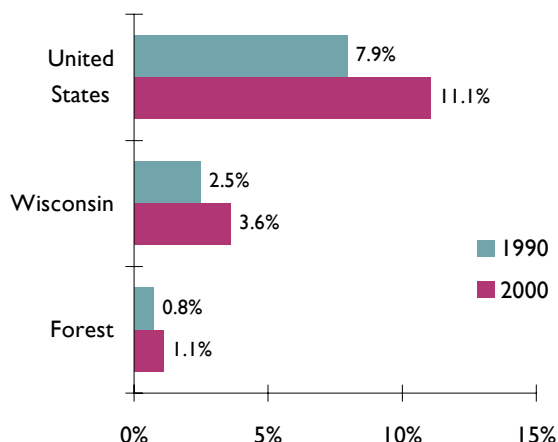
County Population

Forest County, like many northern counties in Wisconsin, is large in land area yet sparsely populated. With approximately 10 residents per square mile, Forest County ranks second lowest in population density of the state's 72 counties. This is well below the state average density of 100 people per square mile and is only slightly higher in density than the state's least densely populated county, Iron County.

Forest County is the 12th largest county in the state geographically and the 68th largest via population, hence the low population density. This low population and lack of density is typical of rural, northern counties in states lined all over the Midwest. Population growth from 1990 to 2000 was a shade over 14 percent, which was a brisk pace considering that the state grew just under 10 percent. Forest County's population growth from 1980 to 2000 was only about 10 percent for the fact that the county lost population (three percent) from 1980 to 1990. The 1990 to 2000 growth truly was a rebound; a rebound that was completely fueled by migration of new residents into the county. Ninety-four percent of the new population moved into the county rather than being born in the county.

In the 20 months from April 2000 to January 2002, Forest's population growth has slowed down a bit from that previous brisk pace and is almost half of the state's growth rate. The net population growth

Share of Foreign-born Residents

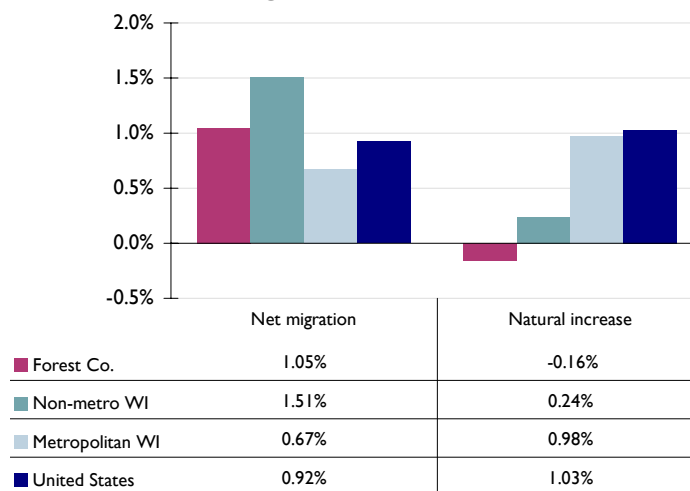


Source: US Dept. of Commerce, Census 2000, Summary file-4, QT-P14

Total Population

	April 2000 Census	January 1, 2002 estimate	Percent change
United States	281,421,906	286,923,000	2.0%
Wisconsin	5,363,701	5,453,896	1.7%
Forest County	10,024	10,113	0.9%
Largest Municipalities			
Crandon, City	1,961	1,936	-1.3%
Laona, Town	1,367	1,378	0.8%
Wabeno, Town	1,264	1,286	1.7%
Nashville, Town	1,157	1,174	1.5%
Lincoln, Town	1,005	1,022	1.7%
Crandon, Town	614	632	2.9%
Argonne, Town	532	537	0.9%
Armstrong Creek, Town	463	469	1.3%
Hiles, Town	404	409	1.2%
Freedom, Town	376	380	1.1%

Net migration and natural increase



Source: Wisconsin DOA, Demographic Services Center & US Census Bureau

came exclusively from in-migration of new residents as the "natural" portion of the population change was negative indicating that the county experienced more deaths than births, which is not uncommon for a handful of counties in Wisconsin that have an older demographic like Forest County. At this current pace, Forest County will grow about 5.5 percent from 2000 to 2010. But population projections that examine the period of 2000 to

(Continued on page 2)

Forest County Workforce Profile

Population Projections by Age Groups in Forest County

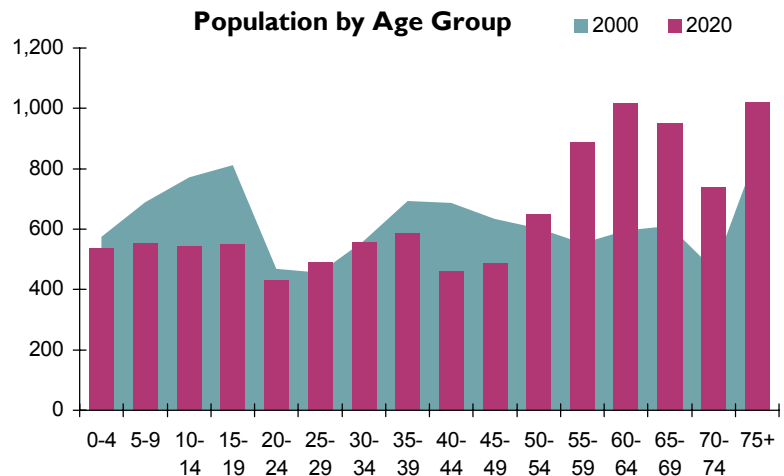
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70-74	75+
2000																
Male	283	333	404	448	264	213	289	355	341	325	297	288	291	320	225	340
Female	291	355	367	365	204	242	272	338	345	308	306	265	305	290	241	514
2005																
Male	278	287	338	442	328	244	217	304	363	346	354	333	332	304	279	339
Female	266	295	360	369	276	204	248	283	342	361	331	358	307	307	259	528
2010																
Male	285	279	289	367	320	300	247	227	308	366	380	398	391	354	266	381
Female	273	267	297	360	277	274	208	257	285	358	389	389	424	313	273	548
2015																
Male	289	282	277	308	262	289	300	256	227	308	399	425	462	418	308	397
Female	277	271	265	293	265	271	275	213	255	295	382	450	455	430	275	569
2020																
Male	274	283	277	292	216	234	286	307	253	225	335	446	494	491	361	435
Female	263	271	266	260	214	258	270	279	210	263	315	442	523	460	376	586

Source: Wisconsin Dept. of Administration, Demographic Services, October 2003

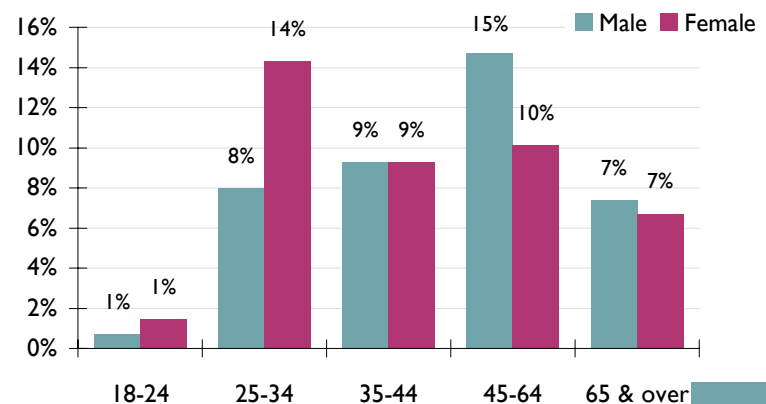
2020 estimate that Forest County's growth will only be about 4.4 percent in this 20-year period. This is in contrast to the projection of statewide growth of 14 percent over the same period.

The graph to the right outlines population change and composition by age group. The age characteristics could be examined myriad ways. A general view of the change over this 20-year period shows that the number of those under the age of 30 will decrease by 18 percent. Those between the ages of 30 and 59 will decrease by three percent. And those ages 60 and older will increase by 48 percent. One poignant note about future age composition is that those under the age of 30 made up about 38 percent of the county's population in 2000, which was already a bit under the state's average, but by 2020 it is projected to be about 30 percent of the population and its decrease in younger population will be much faster than the state as a whole.

In summary, the weighted average age of these age groups in 2000 is 39.7 years of age and is projected to increase to 45.2 years in 2020. These age characteristics speak to inward migration of older population coupled with the outward migration of younger population. The implications of these demographic issues and their effects on the labor force and other economic aspects of Forest County will be discussed in the upcoming sections.



Percent of age group with at least a Bachelor's degree in Forest County



Source: US Dept. of Commerce, Census 2000, Summary file 4, QT-P20

Labor Force Characteristics

The labor force is the sum of a location's employed and unemployed. Participants must be at least 16 years of age and the unemployed must be actively looking for work to be counted. The most popular metric that comes from the labor force is the unemployment rate or the percentage of unemployed in the total labor force.

Forest County's labor force registered close to 5,000 participants in 2002; a six percent increase from 1997. The county's annual average unemployment rates tend to be quite higher than state average, as Forest is an extraordinarily seasonal county (in a seasonal state) that can experience a high unemployment rate in a winter or spring month and see it decrease to one-half of that rate in the next month; and be lower than the state's rate. Nevertheless, the soft economy that cooled the expansion of the 1990's contributed to the increase in the number of unemployed and an unemployment rate of 6.3 percent in 1997 to increased to 7.4 percent in 2002. These are certainly not the highest unemployment rates Forest has experienced and in many ways do not nearly reflect that severe economic changes that other counties in the state experienced, but the downturn that began to take effect in 2000 did not leave Forest County unscathed.

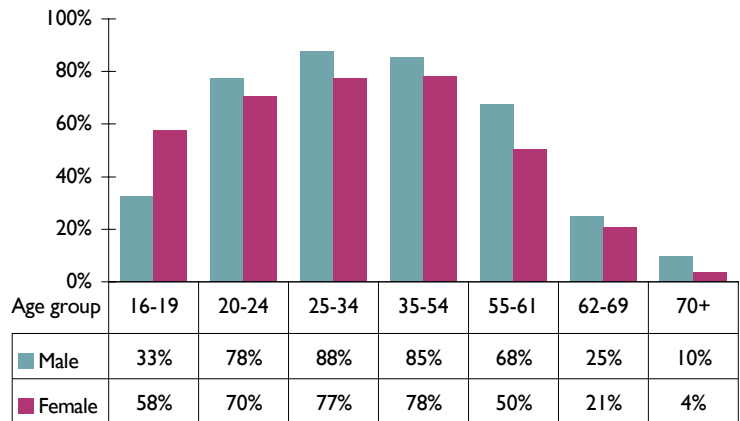
While the unemployment rate is usually the measure that gets the most attention when evaluating the local economy, the annual labor force participation rate (LFPR) adds depth in describing the local economy. The LFPR measures how many of those over the age of 16 from the total population are active in the labor force, either as employed or unemployed. Forest County's annual LFPR for 2002 was 65.4 percent; lower than both the state and national LFPR of 73 and 66.6 percent, respectively.

Forest County's 2002 LFPR of 65.4 percent implies that 34.6 percent of those over the age of 16 do not participate. Essentially there are two general reasons why a person does not engage themselves in the labor force: a) they do not have to or want to and b) they are "marginally attached" to the labor force meaning they want to work, but are having difficulty finding work. The majority of the 34 percent not participating in Forest County do so willingly as they are most likely to be those who have retired with no intention of working. This refers to how the age of a local area can affect LFPR.

The graph to the right shows future labor force is decline of about 15 percent from 2000 to 2020. Cou-

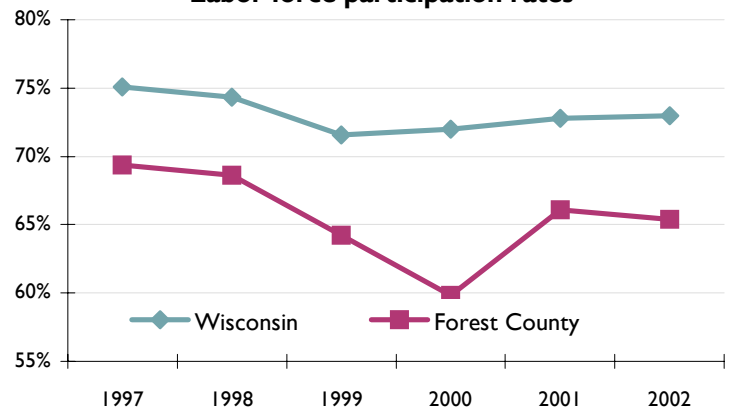
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Forest Labor Force Participation by Age & Sex in 2000



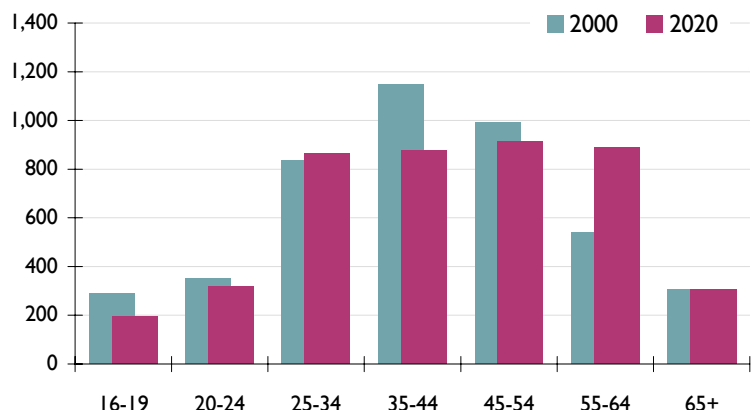
Source: US Dept. of Commerce, Census 2000, Summary file 4, PCT-79

Labor force participation rates



Source: WI DWD, Office of Economic Advisors, 2003

Labor Force by Age in 2000 & 2020 in Forest County

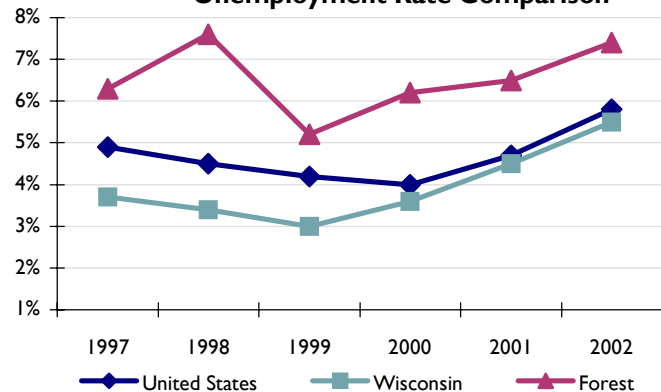


Source: DWD, Office of Economic Advisors, US Census, SF-4 (PCT-79), WI Demographic Services

Forest County Workforce Profile

ple this with 11 percent growth of those 16 years and older and one sees labor shortage. This assumes that current LFPR will be maintained in 2020, which may be unlikely. The overall effect of this age shift will probably bear fewer workers in key occupations that will cater to a slightly larger and considerably older population. This is important because many occupations that will be demanded are typically filled by those with formal or specialized education or by those whom are in the process of beginning their career paths, both of which are typically filled by younger workers. Forest County is projected to have a shortage of younger workers in the coming decades.

Unemployment Rate Comparison



Forest County Civilian Labor Force Data

	1997	1998	1999	2000	2001	2002
Labor Force	4,633	4,601	4,385	4,623	4,992	4,919
Employed	4,341	4,252	4,155	4,336	4,668	4,556
Unemployed	292	349	230	287	324	363
Unemployment Rate	6.3%	7.6%	5.2%	6.2%	6.5%	7.4%

Source: WI DWD, Bureau of Workforce Information, LAUS program, 2003

Occupations in demand

Occupational information requests outnumber every other labor market information customer request. This is due to the fact that all parties involved in the labor transaction-employers and job seekers are keenly interested in career direction, education and training requirements, and importantly, wages associated with careers.

The table to the right examines the fastest growing occupations in the North Central WDA and occupations that will have the most openings between 2000 and 2010 and the occupations' average hourly wages in 2001.

The distinctions between the fastest growing and those with most openings are obvious; wages and educational requirements are quite different. Occupations with the most openings tend to be entry-level needing less educational requirement or training and may have higher turnover as people move up career ladders. Occupations that are growing quickly may not necessarily grow abundantly. They are pervasive in technical fields and most require some form of post-high school training or formal education. The wage premium for higher educational attainment is quite evident in this example and is exemplary of a changing labor demand.

North Central Region Occupation Projections: 2010

	Top Ten Occupations	Education & Training Typically Required*	Average Wage**
Fastest Growth	Computer Support Specialists	Associate degree	\$16.29
	Computer Software Engrs Apps	Bachelor's degree	\$30.39
	Medical Records/Health Info Techs	Associate degree	\$12.12
	Network/Computer Systems Admin	Bachelor's degree	\$22.28
	Personal and Home Care Aides	1-month or less training	\$8.66
	Medical Assts	1-12 mo. on-the-job training	\$11.67
	Social/Human Service Assts	1-12 mo. on-the-job training	\$10.71
	Computer Systems Analysts	Bachelor's degree	\$24.16
	Computer/Information Systems Mgrs	Work experience & degree	\$33.51
	Surgical Technologists	Postsecondary voc. trng	\$13.89
Most Openings	Cashiers	1-month or less training	\$7.21
	Comb Food Prep/Serv Wrk/Incl Fast	1-month or less training	\$7.03
	Retail Salespersons	1-month or less training	\$9.11
	Waiters/Waitresses	1-month or less training	\$6.50
	Registered Nurses	Bachelor's degree	\$22.18
	Labrs/Frght/Stock/Matrl Movers/Hand	1-month or less training	\$10.50
	Labrs/Frght/Stock/Matrl Movers/Hand	1-month or less training	\$10.50
	Office Clerks/General	1-month or less training	\$9.80
	Stock Clerks/Order Fillers	1-month or less training	\$9.60
	Janitors/Cleanrs Ex Maids/Hskpng	1-month or less training	\$9.82

* The most common way to enter the occupation, not the only way

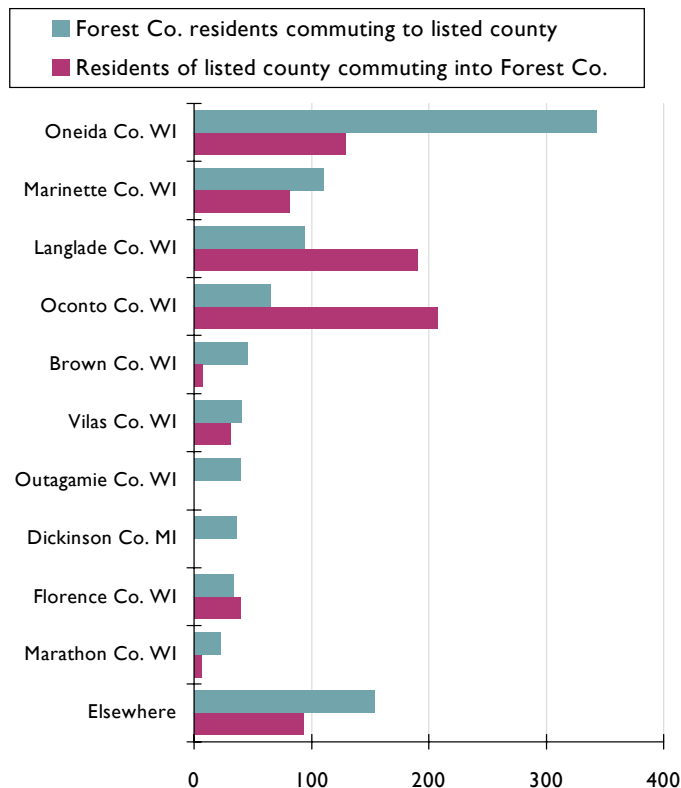
** Wages from Occupation Employment Statistics survey responses for region, 2001

North Central WDA includes Adams, Forest, Langlade, Lincoln, Marathon, Oneida, Portage, Vilas and Wood counties.

Source: WI DWD, Bureau of Workforce Information, 2002

County Commuting Patterns

Commuting data is arguably among the more underrated yet highly anticipated types of labor market information. It is key information when profiling a local economy. These data are only made available every 10 years by the U.S. Bureau of Census, but may be surveyed annually via the American Community Survey, which is a new approach the bureau is undertaking to measure the U.S. popula-

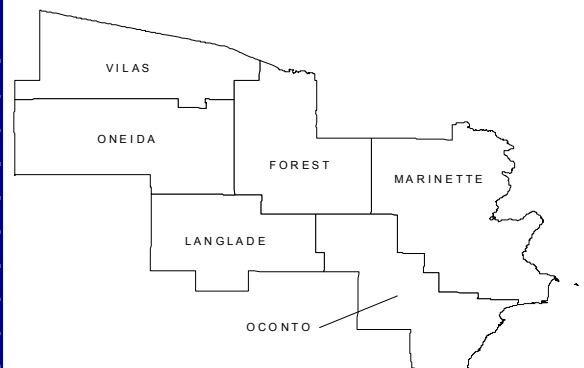


tion between the decennial censuses.

Commuting juxtaposes two simple questions: “where do you live?” and “where do you work?”. Forest County’s overall commuting data show that approximately three out of every four of Forest’s employed residents work in Forest County, which is about the same as the average for the state of Wisconsin. Commuting to another county or even into Michigan is still an overall necessity for the county’s workers regardless of the high rate of Forest residents who work in Forest County. The reason is simple. In 2000 the census reported almost 4,000 employed residents (which may differ from other labor force data sources, but is close) and the number of jobs located in the county number about 3,200. This disparity does not directly address other counties’ residents who commute into Forest for work as a portion of those 3,200 jobs, but their numbers are estimated to be marginal and likely seasonal.

Forest County’s net commuting is just slightly negative with Forest losing more workers to other counties than it attracts. As stated before, Forest County is a seasonal county like other counties in this region and its retention of workers and its attractiveness to adjacent communities probably ebbs and flows with the seasonal economy. More than likely the warmer months of the year probably see a bit more of this commuting dynamic, both in and out, as industries related to tourism flourish. These industries will be discussed in the next section.

	Forest Co. residents commuting to listed county	Residents of listed county commuting into Forest Co.	Net gain or loss of workers
Oneida Co. WI	343	129	-214
Marinette Co. WI	110	81	-29
Langlade Co. WI	94	191	97
Oconto Co. WI	65	207	142
Brown Co. WI	45	7	-38
Vilas Co. WI	41	31	-10
Outagamie Co. WI	40	not avail.	not avail.
Dickinson Co. MI	36	not avail.	not avail.
Florence Co. WI	34	39	5
Marathon Co. WI	23	6	-17
Elsewhere	154	93	-61



Source: US Dept. of Commerce, Census 2000, County-to-county worker-flow files

Industry Employment -

Introducing NAICS (North American Industry Classification System)

The North American Industry Classification System (NAICS) is a new way of categorizing employers by industry as of 2002. It replaces the old system known as Standard Industrial Classification (SIC).

A tome could be written explaining why the change and what the differences are. For the sake of brevity, NAICS was introduced to reflect a changing economy (new and evolving industries) and to include all three North American countries in a uniform coding system.

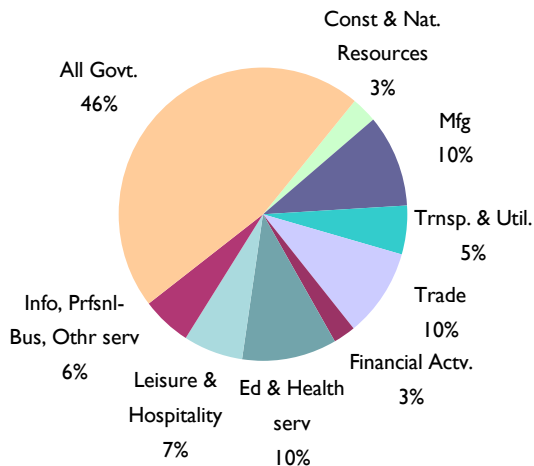
NAICS gives more industry detail reflecting industries that are more contemporary than its coding predecessor.

SIC and NAICS data cannot be compared to one another even if the industries share the same or similar name. The new coding system is so different that one cannot assume that data retrieved are similar for comparison. The table at the bottom of the page shows the 2002 industry composition for Forest County in present and former coding systems. *Note: data in the NAICS format is only available for years 2001 and 2002 at the time of publication. It is hoped that data retroactively coded back to 1990 will be available in 2004 so readers can see how these industry sectors have changed.*

Forest County's industry employment composition is quite different from the state as a whole. To summarize these chief differences, Forest County has lower percentages of its total employment in every industry category listed on the pie chart to the immediate left except for transportation and utilities employment and, perhaps obviously, government employment. In fact, Forest's 46 percent government employment is dramatically higher than average considering the average rate of government employment in Wisconsin is 15 percent.

Government employment should be elaborated. One will notice lists of the top ten industries and employers on the next page. The top three industries

Forest County Industry Distribution: 2002



(Continued on page 7)

2002 Industry Employment in Forest County: A comparison of two classification systems

NAICS Super-sectors	Employment	Distribution	SIC Industry Divisions	Distribution
Construction, natural resources & mining	97	3%	Construction & Mining	3%
Manufacturing	339	10%	Manufacturing	14%
Transportation, warehousing & utilities	184	5%	Transportation, utilities & communication	7%
Trade (wholesale & retail)	323	10%	Wholesale trade	1%
			Retail trade	14%
Financial activities	89	3%	Finance, insurance & real estate	3%
Information, professional & business services, other services	186	6%	Services & misc (incl. agr, forestry, fishing)	13%
Education and health services	347	10%	Government	45%
Leisure & hospitality	228	7%		
Government	1,570	47%		

Source: WI DWD, Bureau of Workforce Information, Current Employment Statistics Program, March 2003

Forest County Workforce Profile

and four of the top ten industries are government-owned entities that have been classified by their *industry*. Seven of the top ten employers also reflect this publicly-owned presence. This type of employment can be a bit tricky to monitor as the Native American tribal ownership of casinos, and other amusement and recreation services industry employment is officially local government owned though these industries may not necessarily be reported as “government” employ-

ment as an industry classification.

The larger private employers and industries in the county are related to health care services, particularly in nursing care settings. This type of health care caters to an aging population, which is apparent in Forest County. Though wood product manufacturing is a large industry in the county, no wood product employers made the top ten employer list.

Top 10 Industry Groups in Forest County

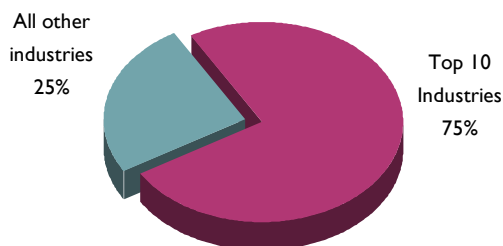
Industry Group	March 2003		Numeric change 2002 - 2003
	Employers	Employees	
Executive, Legislative, & Gen Government	16	680	16
Amusement, Gambling & Recreation Ind	5	419	28
Educational Services	5	331	0
Wood Product Manufacturing	10	284	32
Nursing and Residential Care Facilities	*	*	*
Food Services and Drinking Places	23	143	8
Truck Transportation	36	134	-15
Food And Beverage Stores	5	127	-1
Administration of Environmental Programs	*	*	*
Ambulatory Health Care Services	8	79	-6

*data suppressed to maintain confidentiality

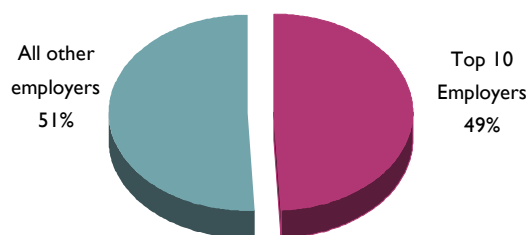
Top 10 Employers in Forest County

Company	Product or Service	Size
Forest County Potawatomi Community	American Indian tribal governments	250-499
Potawatomi Bingo/Northern Lights	Casinos (except casino hotels)	250-499
School Dist. of Crandon	Elementary & secondary schools	100-249
County of Forest	Executive & legislative offices, combined	100-249
Sokaogon Gaming Enterprise Corp.	Casinos (except casino hotels)	100-249
Arizconsin Group, Inc.	Homes for the elderly	100-249
School Dist. of Wabeno Area	School and employee bus transportation	100-249
Department of Agriculture	Administration of conservation programs	50-99
Nu-Roc Community Healthcare, Inc.	Nursing care facilities	50-99
J Schaefer Enterprises, Inc.	Supermarkets and other grocery (except convenience) stores	50-99

Share of jobs with top 10 industries



Share of jobs with top 10 employers



Source: WI DWD, Bureau of Workforce Information, ES-202 special report, First quarter, 2003

Forest County Workforce Profile

The table to the right shows the average wage paid by industry in Forest County and compares it to the state averages. As expected of a non-metropolitan county, it pays lower than average in the majority of industries, with the exception of leisure & hospitality.

The graph below goes a step further, illustrating the comparative importance of industry employment levels to the total wages paid in Forest County. For example, public administration employment constitutes about 24 percent of the county's employment, but pays about 28 percent of the county's total wages earned, putting a premium on this employment for its disproportionately high wages. On the other hand, leisure & hospitality employment shows the opposite effect, with a 20 percent of total employment and 15 percent of wages paid in the county, though the average wage is much higher than

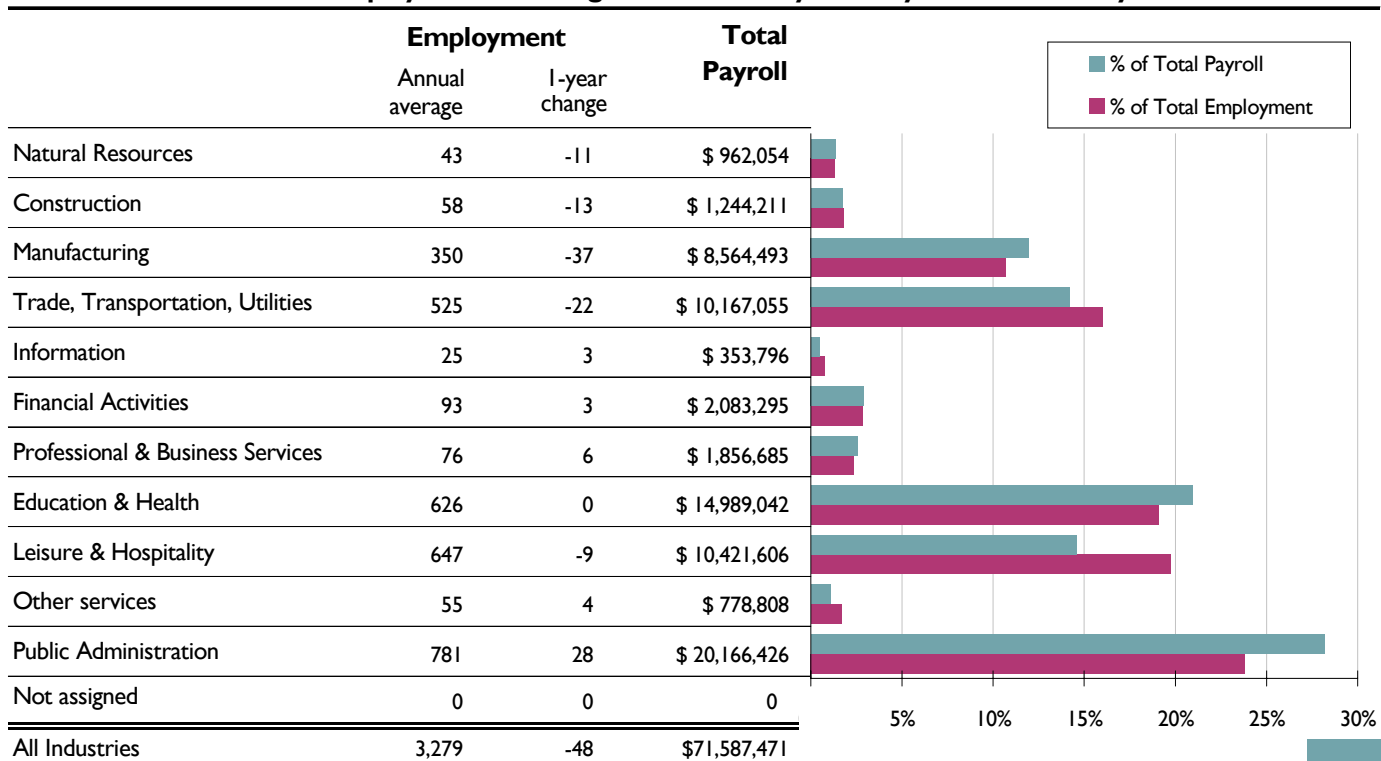
Average Annual Wage by Industry Division in 2002

	Average Annual Wage		Percent of	1-year
	Wisconsin	Forest County	Wisconsin	% change
All Industries	\$ 32,422	\$ 21,832	67%	5.2%
Natural resources	\$ 25,481	\$ 22,373	88%	1.0%
Construction	\$ 39,649	\$ 21,452	54%	3.4%
Manufacturing	\$ 40,584	\$ 24,470	60%	11.4%
Trade, Transportation, Utilities	\$ 28,422	\$ 19,366	68%	-0.1%
Information	\$ 38,871	\$ 14,152	36%	23.7%
Financial activities	\$ 40,337	\$ 22,401	56%	5.3%
Professional & Business Services	\$ 36,324	\$ 24,430	67%	-5.9%
Education & Health	\$ 33,768	\$ 23,944	71%	6.6%
Leisure & Hospitality	\$ 11,837	\$ 16,108	136%	4.4%
Other services	\$ 19,500	\$ 14,160	73%	9.8%
Public Administration	\$ 33,769	\$ 25,821	76%	5.1%

Source: WI DWD, Bureau of Workforce Information, Covered Employment & Wages, August 2003

state average. Much leisure & hospitality employment is entry-level, part-time and seasonal in nature, so its statewide average wage is low. The high premium of leisure & hospitality wages compared to state average reflects workers' earnings from the tribal government-owned casino and other recreational businesses.

2002 Employment and Wage Distribution by Industry in Forest County



Source: WI DWD, Bureau of Workforce Information, Covered Employment and Wages, August 2003

Per Capita Personal Income (PCPI)

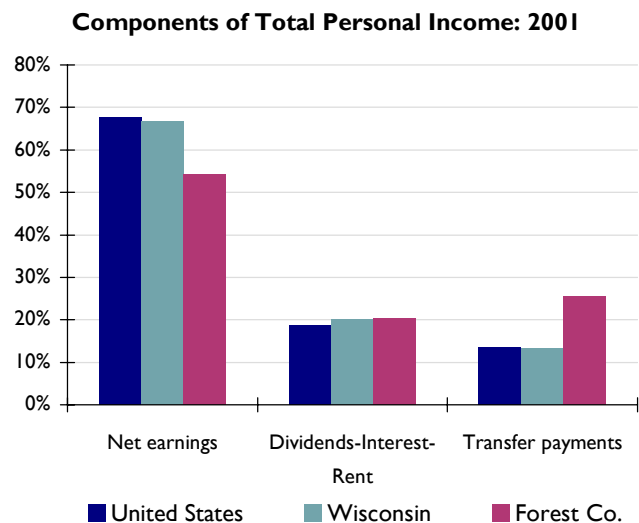
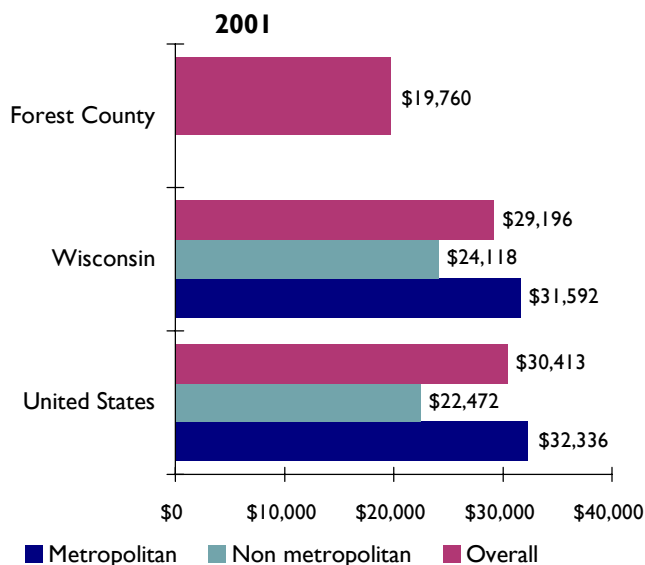
PCPI is typically the most popular and accepted indicator of economic health of an area's population. It is defined as an area's total income divided by the total population. Income is composed of earnings from work, dividends and interest from equities or other holdings and from transfer payment, which are government payments for various reasons.

Forest County's PCPI ranks 66th of the state's 72 counties. Over the last five years, PCPI has grown more slowly compared to state and national rates of growth. In fact, over the past five years, the county's PCPI has been erratic, exceeding the state and national

rate of annual PCPI growth one year and showing flat growth the next. Nonetheless, Forest County's PCPI is only about two-thirds of the state average and about 82 percent of Wisconsin's aggregate of nonmetropolitan counties. There are many reasons for this, but two main reasons are lower than average wages in occupations and industries that are typically not high-paying and a disproportionately high composition of governmental transfer payment as a part of the county's total income. These type of payments tend to be moderate and are typically less dynamic in increase, perhaps indexed to the rate of inflation only.

Per Capita Personal Income

	1996	1997	1998	1999	2000	2001	Percent Change	
							1 year	5 year
United States	\$24,270	\$25,412	\$26,893	\$27,880	\$29,760	\$30,413	2.2%	25.3%
Wisconsin	\$23,301	\$24,481	\$26,004	\$26,926	\$28,389	\$29,196	2.8%	25.3%
Forest County	\$16,058	\$17,020	\$17,320	\$17,939	\$19,114	\$19,760	3.4%	23.1%



Source: US Dept. of Commerce, Bureau of Economic Analysis, State & Local Personal Income, May 2003, CAI-3, CA05

WWW addresses of source data

Wisconsin population estimates and projections:

<http://www.doa.state.wi.us/dir/index.asp>

Education levels of population, labor force participation rates, commuting patterns:

<http://www.census.gov/main/www/cen2000.html>

Labor force estimates (employed and unemployed), industry employment, average annual wages:

<http://www.dwd.state.wi.us/lmi/>

Occupations in-demand:

http://www.dwd.state.wi.us/lmi/wda_map.htm

Per Capita Personal Income:

<http://www.bea.gov/bea/regional/reis>

Profile author:

Dan.Barroilhet@dwd.state.wi.us